

OFFICE OF LEGISLATIVE COUNSEL

Annual Report FY 1974

I. GENERAL

It is the responsibility of the Office of Legislative Counsel to provide advice and guidance to the Director on all Congressional matters which may relate to Agency personnel or activities.

II. PERFORMANCE OBJECTIVES

The objectives of the Office of Legislative Counsel are:

Coordinate action necessary to achieve Agency legislative goals and objectives.

Brief Agency oversight committees on current intelligence and subjects of interest to them.

Conduct liaison with other congressional committees, individual members and other Government agencies in areas of mutual concern.

III. PERFORMANCE EVALUATION

A. Coordinate action to achieve Agency legislative goals and objectives.

CIA Retirement Act

The President signed a bill into law of importance to Agency retirees on 28 December 1973. It amended the CIA Retirement Act, guaranteeing cost-of-living adjustment increases in conformity with changes in the Civil Service Retirement System. This office prepared the proposal, submitted it to Congress and monitored its progress through Congress.

There is concern within the Agency about the status of the CIARDS. OLC is coordinating with operating Agency offices and also with the Office of Management and Budget to determine whether a solution can be achieved through legislation. The goal sought is a financially sound fund in which the benefits provided are at least as good as the Civil Service Retirement System. We will continue to work toward this goal.

Revisions to Agency Charter

The National Security Act of 1947 makes the Director of Central Intelligence responsible for the protection of Intelligence Sources

and Methods. Unfortunately, existing law is not adequate to implement this responsibility. The Director has submitted proposed legislation to the Office of Management and Budget to provide criminal penalty for the disclosure of information to unauthorized persons. OMB has not yet cleared the proposal for transmittal to Congress. We have taken some informal soundings with our committees. Chairman Nedzi favors the principle involved and has included similar strengthening provisions in his bill to amend the Agency charter. On the Senate side, both Senators Stennis and McClellan have indicated a favorable attitude toward these improvements in the law.

Senator Proxmire has proposed additional changes to our charter. His floor amendment to the FY 75 Defense Authorization bill limited the mission of CIA as relating only to foreign intelligence, added a requirement on reporting to Congress, and included a new section restricting Agency activities in the United States. It was passed by the Senate but ruled nongermane to the basic bill by the House, and dropped from the bill in conference. The Director expressed his views on the proposal to Senator Stennis. He indicated that with certain qualifications, the changes were acceptable. We expect other proposals to restrict Agency activities to come from Senator Proxmire and others. Prompt action on Chairman Nedzi's bill and the Director's proposed package may preempt more hostile changes and we will urge this course of action. A summary of legislation of interest to the Agency is attached at Tab A.

Publication of Agency Budget

There have been several efforts to place the intelligence budget figures in the public record. Senator Proxmire proposed such an amendment in June 1974, but it was defeated 55-33. STAT
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Senator Proxmire and others will continue to press for publication of the intelligence budget, but the recent vote indicates little support for the idea.

B. Brief Agency Oversight Committees

Oversight Committees

Briefings of our oversight Committees and Intelligence Subcommittees continue to be the primary formal method of transmitting intelligence information. Contact at the staff level is on a daily basis. We have suggested to our Committee Chairmen that we can make the National Intelligence Daily available to them. Those who have begun to receive it find it very useful in keeping current on intelligence matters. Congressional critics have questioned the effectiveness of the oversight since our Committees, especially on the Senate side, met so infrequently. This is a charge to which we have been vulnerable, at least on the record. During this reporting period, however, the Special Group of the House Appropriations met only once but all our other Subcommittees met at least twice, in addition to meetings of the full Committees. Obviously, since briefings are given at the requests of our Chairmen, it is a

criticism to which they must respond, but it affects the Agency too. Critics could contend that the Agency has been unresponsive or acts on its own. Actually, as Mr. Colby has said to our Chairmen, we have no secrets from our Subcommittees and in fact that we have taken the initiative to call important matters to their attention. We believe the combination of formal briefings, bi-weekly briefings and daily staff contact establishes adequate lines of communication. We need to keep them open and alive.

Bi-Weekly Briefings

We began a series of bi-weekly current intelligence briefings to the Intelligence Operations Subcommittee, House Armed Services Committee. Their purpose is to keep the members and staff informed during the intervals between the Director's formal testimony. DDI designated a Congressional Support Officer to support these and other Congressional briefings. At the end of the fiscal year, Senator McClellan requested similar briefings, at monthly intervals, for the Senate Appropriations Intelligence Operations Subcommittee. The DCI has offered a similar arrangement to the Senate Armed Services Committee.

DCI Confirmation in Open Sessions

Portions of Mr. Colby's DCI confirmation hearings in July 1973 were for the first time conducted in open session. This was done to permit a number of persons opposed to his nomination to testify. Included were Representative Robert F. Drinan (D., Mass.) and Samuel Adams, a former Agency employee. In general their criticism was ineffective and lacked broad-based support. The Director took advantage of the open forum to place in the record a number of statements concerning Agency practices and policies. This office has cited these statements in responding to questions about the Agency. On balance, the open testimony procedure was a plus for the Agency. Future confirmations before the Senate Armed Services Committee will probably include both open and executive sessions.

C. Liaison

Watergate

The Senate Select Committee on Presidential Campaign Activities formally went out of existence on 30 June 1974. The final effect of Watergate on the Agency and the Government may not be fully evident for some time.

Some tentative observations can be made, however. Chairman Nedzi, in his report on the inquiry into alleged Agency involvement in the Watergate matter, called for strengthening of the National Security Act in two areas. The first is to assure that CIA does not engage in

any activity not included in Section 102 of the Act, except with Presidential approval. The second area is to prohibit contact by former employees with the Agency, except for administrative purposes. The report in its final statements cleared the Agency from any wrongdoing: The CIA did not know of the improper purposes for which the technical material provided was to be used and resisted later efforts to involve the Agency. Chairmen Stennis and McClellan have satisfied themselves that we were not knowingly involved in either the Watergate or Fielding break-ins. Senator Ervin, Chairman of the Watergate Committee, stated that he had seen no evidence to indicate that CIA was involved in either the break-in or the cover-up. Senator Howard Baker, Vice Chairman produced his own minority investigation report on CIA involvement which the full committee refused to include in the formal committee findings. The office was in nearly daily contact with Senator Baker's staff, beginning in January 1974. Twenty-four Agency employees appeared before the staff to voluntarily answer questions under oath. We provided over 700 CIA documents and 2,000 pages of testimony. In the opinion of most observers Baker's report was long on innuendo but short on facts and conclusions. As the Washington Post put it: "Senator Baker has done a difficult task unsatisfactorily."

Our assessment at this point in time is that the Agency has been given a reasonably clean bill of health by our Committees. But at the same time Watergate has given impetus to demands voiced earlier for restriction in the Agency charter. As indicated elsewhere in this report they are changes which we can live with. We must consider whether the Watergate developments have damaged Agency standing and credibility with our Committee Chairmen and other Hill leaders. This office believes that our Chairmen remain as solidly behind us as ever before. This is due to the manner in which Agency personnel handled themselves, not only in Watergate, but in all the subsequent congressional investigations which followed, especially with respect to Senator Baker's inquiry.

Congressional Liaison

Contact with Congressional Committees other than our oversight Committees, makes up slightly less than one half of our total briefings. The Director and other Agency officers have met with the Senate Foreign Relations Committee and its subcommittees, the House Foreign Affairs Committee and its subcommittees, the Government Operations Committees in both Houses and the Joint Committee on Atomic Energy. In addition OLC and Agency officers met with individual members on 160 occasions to provide information. As the scope of expertise of the Agency expands into additional areas such as international economics, terrorism and drugs, so do the number of requests for information from us. So long as security considerations and jurisdictional prerogative are not violated the Agency should respond to requests for information from Committees and individual members, a summary of OLC activities is attached at Tab B.

White House, GAO Liaison

Liaison with the White House continues through meetings of the Legislative Interdepartmental Group, which met six times during this period to outline problems and strategy on various bills.

Possible contact with the General Accounting Office has risen in connection with the proposed sale of Southern Air Transport, Inc. Chairman Nedzi has requested that GAO, as a disinterested third party, review the details of the proposed sale. The Director agreed to this with the clear understanding that in no way was the GAO review to constitute a precedent for future Agency transactions.

Travel

During this period the Deputy Legislative Counsel accompanied a senior member of the Senate Appropriations Committee staff on an inspection tour of our stations in [redacted] Europe. Earlier the Legislative Counsel made a similar tour of Latin American stations with a ranking Republican member of the House Appropriations Committee. Our Agency people come out well under this kind of close scrutiny. The Congressional member and staffer were favorably impressed with their efficiency and the overall economy which characterizes our overseas stations. They gained unique new insights into the way in which we function overseas also. The result is a better understanding of the Agency. For that reason we will continue to encourage visits to our field stations by our Committee members and Committee staffs.

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IV. PROBLEMS

The problems we face exist as a result of the differing views in Congress as to the proper role of CIA. It is unlikely that Congress will resolve these differing views in the immediate future and consequently we must function in an ambivalent atmosphere.

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As already indicated, a number of measures have been introduced to publicize the budget and to obtain more intelligence information. While these measures may get maximum publicity, we believe that support for them will be minimal. In addition, our Committee Chairmen back our position. Passage of a measure in these areas therefore appears unlikely. Changes to our charter are a more likely possibility.

A final question we must ask ourselves is what kind of profile do we assume - higher or lower? On one hand we have begun to operate in areas such as economics, drugs and terrorism. Members of the press have visited Headquarters. All these activities raise our profile. The reaction to this from members of Congress is not always what we hoped for. Some of them are not happy unless our profile is very low indeed. We need to satisfy the demands of a more open society for more intelligence information with the desire of our Congressmen to keep a low profile.

V. RECOMMENDATIONS

There are no pat solutions to the problems we have discussed here - except for a constant effort on our part to take advantage of every opportunity and where possible create an opportunity for increased contact with our Subcommittees and with other key committees and members.

During the reporting period we have endeavored to set up an Agency breakfast session at Headquarters for members of the House Foreign Affairs Committee and expect that such a visit will take place. Informal meetings of this sort provide a good forum for give and take on our problems and when we ask for suggestions tend to bring members around to our defense. With Watergate and all its ramifications hopefully behind us we plan to devote more time to this aspect of our Congressional relations.

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LEGISLATION OF INTEREST

NEEDED LEGISLATION

1. CIA's draft legislation now pending in OMB to strengthen provisions of law regarding the protection of Intelligence Sources and Methods from unauthorized disclosure.
2. H. R. 15845 and S. 2597 -- Bills to amend the National Security Act to clarify authorities of the CIA. Some restrictive legislation is inevitable. We favor these bills over S. 3767. The above bills should be amended to include the draft legislation proposed by CIA as stated in 1 above.
3. CIA Retirement Act bills in OMB.
4. Executive Pay Legislation.

Tab B

SUMMARY OF OLC ACTIVITIES

1. The Director or Deputy Director briefed congressional committees on 29 occasions.
2. Senior Agency officials gave 10 briefings to congressional committees.
3. Individual briefings were given to 160 members on substantive matters by Agency representatives.
4. The Legislative Interdepartmental Group met six times.
5. Bi-weekly intelligence briefings were initiated late in the fiscal year for the Intelligence Subcommittee, House Armed Services Committee. Six briefings were given.
6. Four members visited Headquarters for breakfast or lunch and a briefing.
7. Approximately 45,000 pages of the Congressional Record were received for matters of interest to the Agency. In addition, about 13,200 legislative proposals were studied to determine possible impact on the Agency. Many of these proposals were referred to other elements of the Agency for further evaluation. OLC submitted reports, at their request, to the Office of Management and Budget on 11 bills and to the Congressional committees on eight bills.